

APPLICATION OF OPERATIONS RESEARCH TOOLS TO AID PERFORMANCE GROWTH OF SMALL SCALE INDUSTRY IN NATIONAL DEVELOPMENT IN SUB SAHARAN AFRICA: CASE STUDY OF NIGERIA

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ABSTRACT

Most entrepreneurs are even undecided about the type of business to set up and lack necessary business ideas. Some Small scale operators are undecided on how to finance their business and where to source for the funds. Other obstacles and reasons for non striving of the small scale sector of our economy also includes socio-cultural obstacles such as lack of entrepreneurship culture and education. Nigeria's social system limits opportunities for creative activities, and the limiting role of most relying belief which bars admission to initiatives and entrepreneurship. They preach perseverance, rather than risk taking and aggressiveness, necessary for business. Other includes technological backwardness of Nigerian which leads to labour inefficiency, political sabotage, coup d'états, local and youth restiveness, thuggery, armed robbery. All these create insecurity in the minds of entrepreneur. Some managerial problem which includes but not limited to the absence of strategic management skill and attitudes, the inability to respond to threatening environmental conditions, lack of clearly defined objectives, lack of delegation, inability to select appropriate equipments and resources, and the faulty design, implementation and evaluation by small scale business. Also, rudimentary introduction to available tools in Operations Research (OR) should be encouraged, in other to assist the young business owners in the art and science of decision making. Some identified problems earlier stated would have received attention if the said entrepreneur(s) is acquainted with the use of this great tool. Take for instance, the traditional problem resource allocation, planning, allocation, replacement, control and management of as envisaged in any business can be best approached using the knowledge that would be gained from the appreciative study of use and application of 'OR' tools. Let it be mentioned that OR tools deployment and application are not decision, but rather they will aid and assist or guide decision-making process. 'Yes' quantitatively, business owners may want to shy away from embracing its usage i.e OR tools, but imbibing its culture (OR) is best recommended as 'OR' is described as the science of decision making.

KEYWORDS: Entrepreneurs, Modelling, Education, Operations Research.

INTRODUCTION

A business whether small or big, simple or complex, private or public, etc is created to provide competitive prices. Business in Nigeria has been classified as small, medium and large. However, a small scale industry can be defined by the criteria of project costs, capital, cost turnover by the employee, etc. the federal and state ministries of industry and commerce have adopted the criteria of value of installed fixed capital to determine what a small scale industry is, in this respect, the value has varied from N60,000 in 1972, N159, 000 in 1975, N250,000 in 1986, to a fixed investment of not more than N2,000,000 (two million naira) in 1992. This figure is exclusive of buildings and subject to government determination and land prevailing objective of public policy. In the wake of SFEM, and SAP, this value has now been reviewed and sufficiently increased to five million naira. Since this happened, there may be a need to classify the small scale industry into MICRO and SUPER MICRO business, with a view to providing adequate incentives and protection for the former. In the meantime, any business or enterprises below the upper limit of 250,000 and whose annual turnover exceeds that of a cottage industry currency put at N5,000 per annum is a small scale industry. The National Directorate of Employment (NDE) concept of a small scale industry has been fixed to a maximum of N35, 000.

Historical Development and Orientation of Small Scale Industry In Nigeria.

Small scale industry orientation is part and parcel of Nigeria. Evidence abound in our respective communities of what successes our great grandparents made of their respective trading concerns, yam barns iron smelting, farming, cottage industries and the likes. So the secret behind their success of a self reliant strategy does not like in any particular political philosophy, so much as in the people's attitude enterprise and in the right to which the right

incentive is adequate enough to make risk worth taking are provided. Economic history is well stocked with enough insights into the humble beginnings of present day Grand Corporation. Evidence abound that almost all of the multinational giant corporation were cottage enterprises, growing as their industry grew, and through their own sheer ability either reproduce existing products more cheaply or improve their ability. Even at the international level, in the early stages of her industrialization, Japan's economy was dominated by traditional industries, cottage firms, and by a large number of small scales firms drawing their strength not from an abundance of capital but rather from her supply of labour. Back home in Nigeria, the respective government policies accorded and gave priority to the country's small scale enterprises. This has been in recognition that they constituters the fountain head of vitality for the variation economy and consequently their problems have been viewed as those of the nation, by virtue of their number, diversity penetration in all sectors production have been viewed as those of the nation, by virtue of their number, diversity penetration of in all sectors of production and marketing contribution to employment and to the prosperity of the particular areas in which they operate. In concrete term, small scale industries constitute a greater percentage of all registered companies in Nigeria, and they have been in existence for a quite long time, majority of the small scale industries developed from cottage industries and from small scale to medium and large scale enterprises.

Pre-independence Historical Development Prior to Nigeria Independence, the business climate was almost totally dominated by the Colonial and other European Multinational companies like United African Company (UAC), GB Olivant, Unilever Plc, Patterson Zechonics, Leventis, etc. these companies primarily engaged in bringing into Nigeria finished goods from their parent companies overseas. These companies have vast business experience and strong capital base, and dominated the Nigerian economy. The government of those days encouraged them to become stronger by giving incentives as favourable trams and tax concessions. Towards the tail end of the 1950s, the Nigerian Industrial Development Bank (NIDB) was founded to assist potential entrepreneurs to get involved in Agriculture exploration of national resources, Commerce and industrial production. This time and the early 1960s saw the massive increase in Nigeria import market, while the Nigerian economy became largely dominated by very few large foreign firms. However, few Nigerians mostly the semi-illiterates benefited from tile generous government attitude of this time. The educated Nigerians then were not interested in entrepreneurship mainly because their focus was on the positions being vacated by the expatriate staffs, who were leaving the civil service to return home because of the imminent independence in 1960. Even then, Nigerians considered the civil service to be more prestigious than business despite the creation of the colony development loans board by the colonial administration.

MATERIALS

1970 – 1976

A major remarkable breakthrough in small scale business came about through the indigenization Decree 1972 and later in Nigeria Enterprises Promotion Act 1977. These were genuine attempts by the Federal Government to make sure that Nigerians play an active and worthwhile role in the development of the economy. In its 1970- 74 National Development Plan, the Federal Government gave special attention to the development of small areas. This was in recognition of the roles of small and medium scale industries, as the seedbeds and training grounds for entrepreneurship.

The cardinal point of the development plan was:

- (a). Accelerating the pace or industrialization and dispersal of industries
- (b). Generating substantial employment opportunities.
- (c). Promoting individual initiatives and entrepreneurship among the populace.
- (d). Developing and increasing export traders, and
- (e). Complementing large scale industries.

An amendment to the decree made in 1997 provided than in order to be economically 'self-reliant. Nigerians need to take care from economic history, which is well stacked with enough insight into the humble beginnings of the present day giant conglomerates which started as small scale industries.

1980-89

Within this decade, the government policy measures placed emphasis on the technological aspects of industrial development of small scale industries in Nigeria. Various Nigeria governments within this decade embarked on corrective measures to divert efforts towards the maximum exploitation or natural resources, and tried to discourage

capital intensive mode of production in the light of the abundant resources available. In this regards, the industrial policy tried to focus its attention mainly on local resources utilization through various forms of incentives worked out by governments. Some of the basic policy strategy aimed at revitalizing the industrial sector included the:

- (a) Encouragement in the use of more local materials in our industrial development activities.
- (b) Encourage greater capacity utilization in Nigerian industries.

In addition, both the third and forth national development plans, the government then tried to increase her support for and contributions:

- (i) The establishment of research products Development Company to provide a bridge between research and commercial development of result and cooperate with manufacturing establishment to adopt imported machines to Nigerians conditions and eventually develop the capacity for fabricating such machines.
- (ii) The federal institute of industrial research and other institutions as the project development agency, Enugu.
- (iii) The industrial development centers.
- (iv) The provision of funds to implement feasible projects emanating from policy paper, prepared by the Nigerian Councils for Science and Technology.
- (v) The Industrial Research Council of Nigeria to get organized for coordinating industrial research efforts.
- (vi) The focal point of these policy measures as construed place a great emphasis on the technological aspect of industrial development and development of small scale industries in Nigeria.

It is worthy of note that the introduction of the Structural Adjustment Programme (SAP) during the Babangida regime made matters worse for employers of labour and created a veritable ground for self-employment.

1990-99 And Beyond

The federal and state governments have both contributed to the growth of small scale industries in Nigeria especially in the rural areas. Of recent time, various fiscal and non-fiscal incentives have been established for investors and entrepreneurs in then small scale sectors of the economy. Of special mentioning was the strategy adopts by the federal government towards the training and motivation of the unemployed graduates, to be gainfully employed in out of school entrepreneurship development programmes. Thus on the presentation of viable feasible projects, approved loans are disbursed through pre-selected commercial banks assisted by the National Directorate of Employment. The Peoples Bank of Nigeria (PBN) was also in the vanguard of granting of soft loans to unemployed youths and artisans, and this aimed at diverting the attention of youths from government salaried jobs, to that of gainfully self solely employment. NDE and the people Bank of Nigeria were solely charged with the responsibility of generating employment through their various programmes for thousands of unemployed Nigerian. To show its seriousness, the Federal Government through its educational agencies like the National Board Technical Education (NBTE), the Nigerian University Commission (NUC), and the National Youth Service Corps (NYSC) programme give a directive that entrepreneurship development courses be incorporated into the NYSC programme.

Operational definition of the term small scale business

Small scale business, small scale industries and small scale entrepreneurship are used interchangeably to mean a small scale industry firm. Its deliberation was to refer to the operational definition. In Nigeria and worldwide, there seems to be no specific definition of small business. Different author's scholar and schools have different ideas as to the differences in capital outlay, number of employee, sales turnover, fixed capital investment, available plant and machinery, market share and the level of development, these features equally vary from one country to the other. According to Tijani-Alawe (2004) the followings were observed viz:

1. In Nigeria, the third National development plans defined a small scale business as a manufacturing establishment employing less than ten people, or whose investment in machinery and equipment does not exceed six hundred thousand Naira.
2. The Central Bank of Nigeria in its credit guide lined, classifies small scale business as these business with an annual income/asset of less half a million Naira (500,000).
3. The Federal Government small scale industry development plan of 1980 defined as small scale business in Nigeria as any manufacturing process or service industry, with a capital not exceeding N150,000 in manufacturing and equipment alone.
4. The small scale industries association of Nigeria (1973) defined small scale business as those having investment (i.e. capital, land building and equipment of up to N60, 000 pre-SAP Value) and employing not more than fifty persons.

5. The federal ministry of industries defined it as those enterprises that cost not more than N500, 000 (pre SAP Value) including working capital to set up.
6. The Centre for Management Development (CMD) definition of small industry in the policy proposal submitted to the Federal Government in 1982 defined small scale industry as, a manufacturing processing, or servicing industry involved in a factory of production type of operation, employing up to 50 full-time workers.

Lastly, in the United State, the small business administration defines a small business as one that is independently owned and operated is not dominant in its field, and meets employment or sales standard developed by the agency. For most industries these standards are as follows. This also shows the same trend as in Nigeria, although the exchanger value makes the financial critical to be different.

- a. *Manufacturing*: Number of employees range up to 1500, depending on the industry.
- b. *Retailing*: Small if annual sales or receipts are not over 2million to 7.5million dollars.
- c. *Wholesaling*: Small if yearly sales are not over 9.5 to 22million dollars.

Thus in general, the specific characteristic/criteria used in describing small scale business are:

- i. The number of people/persons employed. It is usually a small business, because small numbers of people are employed.
- ii. Annual Business Turnover: because initial capital is low, then annual turnover will also be low.
- ii. Local operations: for most small firms, the area of operation is local. The employees live in the community in which the business is located.
- iii. The sales volume is minimal.
- iv. Financial strength is relatively minimal
- v. Managers are independent, and they are responsible only to themselves.
- vi. The managers are also the owners.
- vii. The owner of the business actually participate in all aspects of the management of (i.e. the enterprise is personalize)
- viii. They have relatively small market when compared to their industries.
- ix. The amounts of employees are relatively small when compared to the biggest companies in a similar venture.
- x. The capital is mainly supplied by an individual or small group of individuals/persons or shareholders.
- xi. They usually have one, but many have several shop locations all in the same city or metropolitan areas.

There are many enterprises in Nigeria categorized as small business. Most of them are in the commercial sector and there is also a trend now towards the n service industry hotels, restaurants, fast foods, etc.

RESULTS AND DISCUSSION

Challenges of marketing small scale

Marketing Problems of Small Business Enterprises one of the major marketing problems facing small business enterprise in Nigeria is lack of understanding and the application of marketing concept. Most Nigerian small business owners equate 'marketing' to selling and this is reflected in their various dysfunctional business behaviour against customer satisfaction and good business orientation. They lack the knowledge and skills of basic marketing ingredients- marketing research, market segmentation, and marketing planning and control. The outcome of this is poor quality products, unawareness of competition, poor promotion, poor distribution, and poor pricing methods. They are not marketing oriented and market- focused if a marketer is defined as someone who understands and applies marketing in order to create, building, and maintain beneficial relationships with target markets. Baker (1979) and Doyle (1985) identified lack of marketing orientation as the major factor for business failure. Most Nigeria small manufacturer, in a higher degree, depends on imported equipment and raw materials for their operations. With the over-devaluation of Naira, vis-à-vis other foreign currencies, they are not finding it easier to secure these items abroad. They therefore resort to poor locally produced alternatives. The result is usually poor quality products. This may be one of the factors responsible for Nigerian consumers' unquenching appetite for imported goods, even though many of these foreign goods are equally of poor quality especially those coming from Asia and Far East countries. High quality raw materials are important to producing high quality product. With the increasing demand for imported goods in Nigeria, dubious local and foreign importers are dumping fake products which go further to frustrate small scale manufacturers and seriously affect our hard earned foreign exchange. Beside, small scale producers lack good quality control in their operations. In this respect, they rely mainly on replacing faulty products instead of developing good quality control system (Onwuchuruba 2001). Only very few

Nigerian small manufacturers are aware of the nature of competition facing them, they estimate their success only through sales revenue without considering also their market share. Even, some do not know their market segments on which to focus their operations, importance of good stockholding, transport, and distribution for enhancing commercial success. Many of our small manufacturers do not have properly defined criteria for appointing their product distributors. They rely mainly on trust created through relationship between the owners of the companies and their distributors. These relationships are in form of fathers and mothers, brother and sisters, friends and in-laws etc. this relationship often ends up in running the business down. High costs of vehicles and poor roads are also affecting the operations of small manufacturers in their efforts to move finished products down to consumers in both rural and urban areas. They have a complex channel of distribution with many layers which go to push the prices of their products higher. Besides, small manufacturers pay little attention to the promotion of their products. Advertising and other methods of promotion are not adequately used. There is no other way of creating awareness of their innovations and stimulating also inhibits their growth and ability to compete with larger companies.

In a developing country like (Nigeria) with low income and high level of poverty, a company that wants to succeed should offer its product at the price the consumers can bear. But often, small manufacturers set prices of their products arbitrarily without regard to this peculiar consumer characteristic in our environment. Since they do not have clearly defined criteria upon which to base their prices, they always seek to maximize profits at short runs without having a long-term view of their businesses (Easien 2001).. That there is a kind of relationship between business and government is never in dispute, the issue has always been degree of affairs, cooperation, finding and co-operative marriage, that existing between the two society's sub-system. In Nigeria, it is imperative for business operators to that manner of relationship. This is because the type of relationship that exists between the government and business goes a long way to determine the existing, growth and development of the small scale business operators. The government is a super-body that exerts enormous power in a given nation state. By this implication, it has the capacity and ability to influence almost every institution under its jurisdiction for good or small scale business and other economic activities have its root in her major function as a resources allocation.

In Nigeria, there is an implication of a mixture of command and market determined mechanism, thence, it is often called mixed economy. The dictionary of economics defined mixed economy as an economy which contains elements of both a small, medium and large private sector, participation in business, as well as a group of large nationalized industries.

Especially, in these circumstance, the role of business as multi-farious and categorized as

- a. Participatory role
- b. Regulatory role
- c. Facilitory role

Role of Government

A Government is seen as a participator where it actually involved in and control business enterprises by owning and managing such enterprise. Government acts as a business regulator with the overall aim of helping to maintain a climate of confidence, sanity and so to stimulate the activities of the enterprises so that they can have the respect for the rule of competition. Listed are some usual justifications for government regulatory activities in business including what they hope to achieve, they are:

- a. To achieve an environment permitting the enterprise to exist in an atmosphere of stability and cooperation.
- b. To fix and distribute public and social burden in a supportable and differences in size of various enterprises and the economic activity of the country.
- c. To protect the interest of the consumer against exploitative actions of business or specific measures against sub-standard of dangerous products.
- d. Government control business as part of her fundamental responsibilities towards exercising her sovereign rigor or all activities within her jurisdiction business inclusive.
- e. Government control of business is durable because it is one of the methods by which government raises revenue, the revenue comes in the form of registration fee, excise duties, educational levies, etc.
- f. Government control business as a way of ensuring that the economy is not dominated by foreigners.

Through appropriate and calculated control, government enlarges the propensity for greater indigenous participation in economic business activities. These act of government at control in business activities come in various forms, of

which the most popular and widely used in through the instrumentality of law. Relevant laws or decrees edicts and status are often used specifically to achieve a control or regulating objectives. For instance, the following itemized laws and acts among others are targeted towards regulating business in Nigeria, with the twin objective of business and industrial developing, and maintaining sanity among the business key players and operators.

1. Registration of Business names Act 1961, No 1.
2. Trade Mark Act capt. 1961. No. 29.
3. Factories Act capt. 1966.
4. Exchange Control Acts 1961, No. 16
5. Nigerian Standard Organization Acts 1971, No. 36.
6. Trade Union Act 1973, No 31
7. Pre-shipment inspection of import Act, 1978, No. 36
8. Import prohibition order in 10, 1979, etc.

Bank of Industry was established by the Nigeria Government in October, 2001 as a result of the merger of the National Economy Industrial Development Bank (NIDB), the Nigerian Bank for Commerce and Industry and National Economy Reconstruction Fund (NERFUND). Its major aim is to provide necessary financial assistance and incentives for the establishment of large, medium and small scale projects, and the expansion and diversification of existing industries. It engages in fund mobilization, project appraisals, financing, implementation and investment activities.

The Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) established in the year 2002, is a merger of the defunct Nigerian Agricultural and Cooperative Bank (NACB), people's Bank of Nigeria (PBN) and the Family Economic Advancement Programme (FEAP). The Federal Government set up the Bank of Industry Limited in October, 2001. It was one of the hallmarks of the President Olusegun Obasanjo Democratic government in merged the Nigerian Industry Development bank (NIDB) the Nigerian Bank for Commerce and Industry (NBCI) and the National Economic Reconstruction Fund (NERFUND). From 1996 till date many Community Banks (CBs) were established as self-sustaining financial institutions.

They might be owned and managed by a group of communities or a community, for the main purpose of providing credit, deposit banking and other financial incentives to its members and the SMEs. They involve SMEs, and rural development by providing credit and deposit services, and the increase of the live capacities of SMEs and rural people in industry and in agriculture. The small scale and medium industries equity investment scheme (SMIESIS) was set up on June 19, 2001 and launched in August 2001. It is the banker's committee initiative which requires banks to set aside 10% of their profit before TAX, for equity investment in small and medium scale enterprises. Its main target is in the areas of Agro-allied business, Information Technology and Telecommunication, Manufacturing, services, Tourism, leisure and Construction (Tijani-Alawe 2004). Also a 10 man Advisory committee comprises of the Central Bank of Nigeria as the Chairperson, three representatives of the Banker's committee (i.e. Oceanic Bank, Ecobank and the Metropolitan Bank), three representatives of the organized private sector and three representatives of the Federal government which comprises of the federal ministry of industry, and the secretary to the Federal Government. Government As a Business Regulator Governments all over the world do realize and recognize the indispensability of vibrant business sector to overall development of national economy most of the laws and regulatory measures are intrinsically meant to protect and assist business. In other words, the initial regulatory functions is not intended to be punitive measure, rather it is a defector intended maintain a healthy rivalry, maintain overall advantage of the entire business sector.

The importance's of small scale business small scale industries generate employment for a lot of Nigerians. A lot of unemployment abides with us in Nigeria. Most of these unemployed people and youths, have found employment in small scale industries. A lot of small retail shops, cottages, restaurants, poultry farms, and telecommunication/telephone shops have been established and managed profitably by Nigerians who would have been unemployed till date. The entrepreneurs have in turn provided jobs for other Nigerians, who serve as support, technical and administrative staffs for them. It has encouraged self employment for many youths both in the rural and urban areas. The spirit of successful entrepreneurship has taken over the mind of Nigerians, who believes in themselves and in the goal of self employment, instead of relying on government jobs. In the telephone retail jobs, a lot of youths and Nigerian have remained self employed. Their businesses have expanded to the level of employing some other unemployed people. Though the establishment of manpower development support schemes, and their

involvement in the training and retraining of entrepreneurs, small scale industries have provided a pool of potential entrepreneurs and business people who are well equipped to start and successfully manage industries whether small or large, not only in Nigeria, but overseas. Successful business people in Nigeria like Aliko Dangotes, the Ibrus, Mike Adenuga, Ilodigwe and the Orji Kalu started as SMEs, before the growth of their various businesses into conglomerates. It has reduced the dependence on government and large firms on salaried employment. This is evidence from the liberalization policy of the government in the telecommunication and education sectors as a lot of companies have been established to provide support staff and employment for Nigerians.

Small scale industries have stimulated rural development and the achievement of a meaningful level of board economic and rural development. To reduce the migration from rural to the urban Centres, some infrastructural facilities which promoted small scale industries were provided in the rural areas, such as the provision of access road, increased improvement in communication facilities like telephone, postal services and the internet facilities, construction of industrial layouts and estates, and the provision of electricity and water expansion scheme. It has uplifted the dignity of labour. There is the spirit of "ME TOO", I can do it attitude. People deriving joy in working for themselves and seeing their businesses grow and mature to conglomerates and deriving joy in being a source of employment to the Nigerians. It has upgraded the social status of Nigerian youths, by showcasing them as very successful entrepreneurs and operators of small scale industries. This is evidenced in the many success stories of small scale industries as recorded by the print and electronic houses.

Special causes of small scale business failure in Nigeria.

There is the insufficient capital outlay. There is lack of capital or inadequate capital to buy the stock and equipment. Securing of loans from the banks and financial institutions takes time in most cases only exist on paper. Many banks require the satisfaction of many conditionality before loans are granted, and the small scale industries find it difficult to secure the loans.

There is also the use of obsolete business methods, and equipments, as a means of maintaining stocks and inventory. These old methods do not tally with modern business procedures, making rewarding most business ideas are things inherited from parents, and most of the ideas die with the originators. Some are not scientific in nature and cannot be assessed easily. There is also the lack of credit control, as money could be brought in and taken out of the business easily for personnel and not for business purpose.

There is the absence of business planning. Planning is done by rule of thumb and haphazardly. This makes it difficult to detect and understand the predictable and unpredictable market changes. The non-existence of actual planning strategies makes it difficult to standing changing, dynamic and every emergency, and the failure to anticipate and plan for the financial demands and needs of the small scale industries. Coupled with the above problems is that of *low motivation*, and *lack of confidence* most entrepreneurs believe they cannot make it, in the face of competition by the bigger companies. The desire and motivation to succeed is reduced.

Non exposure or Lack of knowledge of Decision making Tool – Operations Research. Evidently enough, most entrepreneurs are even undecided about the type of business to set up and lack necessary business ideas. Some small scale operators are undecided on how to finance their business and where to source for the funds Here comes the noticeable disconnect!. It thus exposes the young business owner's inadequacy or non information about the available tool of Operations Research. Early introduction and familiarization with this decision-aiding tool would assist greatly from the conception to formulation to generation of the very business idea. Coupled with this is the fact that, it will expose the young entrepreneur to develop the required skill of problem solving which of course is the in-thing in his or her proposed business idea. Also, rudimentary introduction to available tools in 'OR' should be encouraged, in order to assist the young business owners in the art and science of decision making. Some identified problems earlier stated would have received attention if the said entrepreneur(s) is acquainted with the use of this great tool. Take for instance, the traditional problem of resource allocation, planning, allocation, replacement, control and management of money, man, machines and materials as envisaged in any business can be best approached using the knowledge that would be gained from the appreciative study of use and application of 'OR' tools. Let it be mentioned that OR tools deployment and application are not decision, but rather they will aid and assist or guide decision-making process. 'Yes' quantitatively, business owners may want to shy away from embracing its usage i.e OR tools, but imbibing its culture (OR) is best recommended as 'OR' is described as the science of decision making.

Other obstacles and causes of small scale business non performance includes *socio-cultural obstacles* which is the lack of entrepreneurship culture and education, Nigeria's social system limits opportunities for creative activities, and the limiting role of most relying belief which bars admission to initiatives and entrepreneurships. They preach perseverance, rather than risk taking and aggressiveness, necessary for business. Other includes technological backwardness of Nigerian which leads to labour inefficiency, political instability occasioned by civil unrests, political sabotage, coup d'états, local and youth restiveness as we have in Niger-Delta region of Nigeria, thuggery, armed robbery etc. All these create insecurity in the minds of entrepreneurs. Some managerial problems as opined by scholars includes the absence of strategic management skill and attitudes, the inability to respond to threatening environmental conditions, lack of clearly defined objectives, lack of delegation, inability to select appropriate equipments and resources, and the faulty design, implementation and evaluation by small scale businesses and all other such vices that will affect negatively the striving of the business.

CONCLUSION AND RECOMMENDATIONS

As earlier mentioned, the secret behind the success of self reliant strategy is mainly in peoples positive attitudes to enterprises, and in the extent to which the right incentives are adequate enough to make risk worth taking rather than in any particular political philosophy. In the early stages of Japan's industrialization, her economy was dominated by a large number of small scale enterprises, who drew their strength not from an abundance of capital, but rather from her vast supply of labour, and the abundant advantages of small scale industries. Nigeria and Nigerians need to learn and follow Japan's example. The activities of modern marketing cover marketing research, market segmentation, marketing information systems, marketing planning and control, and other issues relating to product, prize, promotion, and distribution. These activities are not properly handled in many Nigerian small business enterprises as observed. One of the major advantages of marketing is that, when correctly used, subjective values may be added to a product. The consumer then perceives it as superior to that of competitors. Consequently, profit margins may be increased. But as noted already, poor quality, unawareness of competition, poor promotion, poor distribution, and poor pricing methods tend to be the major failings of small-scale manufacturers in Nigeria. The production of generic products is often considered acceptable and economical by these small business enterprises Onwuchuruba (2001).

The adoption and application of marketing concept is one way by which small business enterprises can grow and secure for themselves places in the 21st century commerce and industry. But marketing skills and knowledge are teachable and can only be acquired through training and experience. Unfortunately, many small scale entrepreneurs lack the necessary time and funds to embark on such training. We therefore suggest that the governments should assist them through organizing regular marketing workshops and seminars via state branches of manufacturing associations of Nigeria (MAN) and state Chambers of Commerce and Industries Onwuchuruba (2001)

In order to move away from this prevailing situation and build up some dynamism in its operations, a small-scale manufacturer should also be involved in strategic marketing planning. This planning will try to answer three important and relevant questions:

- (i) Where are we now?
- (ii) Where do we want to be?
- (iii) How are we going to get there?

At the diagnosis stage, they should Endeavour to be market-focused. They should find target markets, interpret trends, and identify customer needs before assessing the firms' strengths and weaknesses; nothing also the limitations imposed upon by local marketing environment. It is only after this can an effective marketing strategy be formulated and appropriate plan put into action. Once feasible target markets with good growth and profit potentials have been selected, marketing strategies and actions should follow. The two major advantages possessed by small business enterprises in this respect are their closeness to customers and flexibility. Also, the two common mistakes here are attempting to offer too wide a range of products and trying to compete in large markets where their size can place them at greater disadvantage compared to large companies.

It was revealed that small business enterprises can perform better by carving a niche in the market place and that the followings should be aimed at:

1. They should also consider the various product variables like quality, features, styles, brand names, and marks. Many large companies such as the Lever Brother Nig. Plc, Nigerian Breweries Plc, Cadbury Nig. Plc, to mention a few, have demonstrated the great value of brand name and mark. Branding helps to create

2. exceptional value in the eyes of consumers provided the company's products meet needs better than competitors.
3. The small-scale manufacturer should also use price/quality assortment, convenience, service, and other elements of the marketing mix to promote the right image for their companies and products. Distribution in small business enterprises may have problem due to many layers existing in the channels. But once at diagnosis stage, accurate and complete limitations in the marketing environment have been identified and assessed; appropriate distribution strategies can be formulated.

Governments at all levels are also advised to assist the small scale producers by improving infrastructural facilities and environmental limitations such as road network, water, electricity, and communication. Inefficiencies in these areas create additional costs to small-scale manufacturers. After building a strong marketing base at domestic market, it is important that small business enterprises consider exporting their products abroad especially with the West African sub-region. This can help them secure much-needed foreign exchange for importing necessary equipment and raw material as supplements to locally developed ones. Through this, the quality of their products can be improved and thus place them at a better position to compete effectively in both domestic and international markets. Consequent on all mentioned above, an average entrepreneur should be encouraged to imbibe and appreciate the culture of Operations Research in carrying out their business. By so doing, most problems might have been solve before they result into break-down of the business as noticed in most small scale business in Nigeria.

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